



**STATEMENT OF PROCEEDINGS  
FOR THE REGULAR MEETING OF THE  
LOS ANGELES COUNTY AUDIT COMMITTEE**

**KENNETH HAHN HALL OF ADMINISTRATION  
500 WEST TEMPLE STREET, ROOM 140  
LOS ANGELES, CALIFORNIA 90012**

**Wednesday, March 19, 2014**

**2:00 PM**

AUDIO LINK FOR THE ENTIRE MEETING. (14-1400)

**Attachments:**    [AUDIO](#)

Present:            Vice Chair Lori Glasgow, Avianna Uribe for Member Louisa Ollague, Member Dorinne Jordan and Member Kieu-Anh King

Absent:            Chair Carl Gallucci

**I. ADMINISTRATIVE MATTERS**

1. Call to Order. (14-1062)

**The meeting was called to order by Kieu-Anh King at 2:08 p.m.**

2. Approval of the February 19, 2014 meeting minutes. (14-1063)

**On motion of Avianna Uribe, seconded by Dorinne Jordan, this item was approved.**

**Attachments:**    [SUPPORTING DOCUMENT](#)

**II. BOARD POLICIES**

3. Recommendation to approve amendments to Board Policy No. 5.050 - Contractor's Use of GAIN/GROW Participants and extend the sunset review date to May 1, 2017 (2/26/14) (Continued from meeting of 3/19/14). (14-1034)

**Dorinne Jordan referenced language in the policy and posed questions about the mechanism used to confirm that proposers demonstrated a willingness to hire Greater Avenues for Independence (GAIN) or General Relief Opportunities for Work (GROW) participants.**

Luther Evans, Department of Public Social Services (DPSS), indicated that the language expresses the contractors attesting to their willingness to hire GAIN/GROW participants and on-going contracts assist in confirming participation.

Dorinne Jordan expressed discontent with the related language in the policy and questioned whether it needed to be changed.

Melinda White-Svec, County Counsel, reported that proposers have the opportunity to present records of participation and/or County departments may utilize records already established to determine participation. If confirmation of participation is not met, proposers may sign the Attestation of Willingness to Consider GAIN/GROW Participants form.

Dorinne Jordan asked if proposers that demonstrated GAIN/GROW participation or attest are being scored in the solicitation process and whether the Board of Supervisors can receive status updates of contractors with or without participants on a more regular bases.

Kenyatta Ortega, DPSS, reported that a scoring mechanism is not put in place when considering proposers in the selection process.

Mr. Evans stated that a status GAIN/GROW participation report may be provided to the Board of Supervisors every six months. Debora Gotts, DPSS, stated that the status report is generated by integrating information from the DPSS welfare tracking system and Countywide Accounting and Purchasing System files prepared by the Auditor-Controller.

On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was continued to the next meeting.

Attachments:    [SUPPORTING DOCUMENT](#)

**III. OLD BUSINESS**

4. Recommendation to approve amendments to Board Policy No. 4.030 - Budget Policies and Priorities and extend the sunset review date to July 1, 2017 (12/17/13) (Continued from meetings of 1/15/14 and 2/19/14). (14-0075)

**Dorinne Jordan requested this item be amended to extend the sunset review date to December 17, 2014.**

**On motion of Dorinne Jordan, seconded by Lori Glasgow, the policy was approved as amended to extend the sunset review date to December 17, 2014.**

**Attachments:**    [SUPPORTING DOCUMENT](#)

5. Recommendation to approve amendments to Board Policy No. 5.070 - Multi-Year Services Contract Cost of Living Adjustments and extend the sunset review date to March 18, 2018 (12/31/13) (Continued from meetings 1/15/14, 2/19/14 and 3/19/14). (14-0216)

**On motion of Lori Glasgow, seconded by Avianna Uribe, this item was continued to the next meeting.**

**Attachments:**    [SUPPORTING DOCUMENT](#)

6. Department of Mental Health - Pharmacy Operations (9/25/13) (Continued from meetings 10/16/13, 11/20/13, 12/18/13, 1/15/14, 2/19/14 and 3/19/14). (13-4653)

**Dorinne Jordan expressed concern over the County's liability issues with pharmaceutical agencies and the Department of Mental Health's (DMH) donation reporting process.**

**Arlene Barrera, Auditor-Controller (A-C), explained the differences between the fiscal and legal prospective of the donation reporting process and their importance. Ms. Barrera indicated that it would be best practice for DMH to adopt their recommendations. Robert Smythe, A-C, provided an explanation of the various types of donations.**

**Kieu-Anh King expressed concern over these practices and requested that County Counsel and DMH staff be present at the next meeting.**

**On motion of Lori Glasgow, seconded by Avianna Uribe, this item was continued to the next meeting.**

**Attachments:**    [SUPPORTING DOCUMENT](#)

7. Department of Public Health - Drug Medi-Cal Program Audit (Board Agenda Item 5, August 13, 2013) (10/18/13) (Continued from meetings 11/20/13, 12/18/13, 1/15/14, 2/19/14 and 3/19/14). (13-5068)

**On motion of Lori Glasgow, seconded by Avianna Uribe, this item was continued to the next meeting.**

**Attachments:**    [SUPPORTING DOCUMENT](#)

8. Department of Health Services - Contract Management Review and Contract Monitoring Assistance (11/4/13) (Continued from meetings 11/20/13, 12/18/13 1/15/14 and 2/19/14). (13-5236)

**Don Chadwick, Auditor-Controller, provided an overview of the Department of Health Services (DHS) contract management audit.**

**Tobi Moree, DHS, provided an overview of the contract management report. In response to questions posed by Dorinne Jordan, Ms. Moree indicated that contract monitors may experience an overlap due to their involvement with various segments of DHS.**

**Kieu-Anh King expressed concern over DHS's lack of an annual comprehensive monitoring plan to support their contracts. Ms. Moree confirmed that DHS does have a risk monitoring system; however, it is still in the implementation stage. Don Chadwick added that an assessment of DHS's current risk monitoring system will be conducted soon.**

**In response to questions posed by Elan Shultz, Health Deputy, Ms. Moree explained that their current work system is an immediate and long-term solution; however, a more comprehensive and centralized version is yet to be approved by the Chief Executive Office.**

**On motion of Lori Glasgow, seconded by Avianna Uribe, this item was received and filed.**

**Attachments:**    [SUPPORTING DOCUMENT](#)

9. Sheriff's Department - Billing and Collections Review (12/12/13) (Continued from meetings of 1/15/14, 2/19/14 and 3/19/14). (13-5902)

**David Culver, Los Angeles County Sheriff's Department (LASD), provided an overview of the billing process and reported that delays in billing were present as a result of the Special Account Unit not being able to process bills until instructions were received from the Contract Law**

**Enforcement Bureau. Mr. Culver added that billing invoices for contract cities are executed on a timely basis, but issues may occur for services provided for unexpected events.**

**Dorinne Jordan posed questions regarding the delinquent account notices referenced in the report.**

**Mr. Culver reported that one of the circumstances for the delinquent receivables not being submitted is related to financial struggles by the City of Compton. The delinquent account notices were not submitted due to on-going discussions between the Contract Law Enforcement Bureau, Captain of the Compton Police Station and responsible parties at the City of Compton. Cash flow issues are also being discussed in conjunction with the Auditor-Controller's Office. Mr. Culver added that other issues that prevented the submittal of delinquent account notices include political sensibility matters and financial difficulty by the California Department of Corrections. Mr. Culver reported that past due account notices were not submitted to Governmental entities because the process required resources that the Auditor-Controller's (A-C) office does not have.**

**Mr. Culver was asked to provide the Committee with an email describing all of the details of the entities that did not receive delinquent account notices timely and confirm what related revenue has been collected.**

**Discussion ensued among Mr. Culver, A-C staff and the Committee with regard to LASD's write-off ability and proper accounting venues to take for uncollected costs.**

**The Audit Committee asked that A-C staff and LASD staff meet before the end of the Fiscal Year, to ensure the LASD is adequately processing uncollected debts and that its write-off policies are in compliance with the County Fiscal Manual. Arlene Barrera, A-C, stated that she will contact the LASD to schedule a meeting.**

**Avianna Uribe asked that this item be referred to the Public Safety Cluster meeting.**

**On motion of Kieu-Anh King, and by Common Consent, there being no objection, this item was continued to the next meeting.**

**Attachments:**    [SUPPORTING DOCUMENT](#)

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10. Sheriff's Department - Forensic Budget Audit (Board Agenda Item 14-C, January 22, 2013) (12/20/13) (Continued from meetings of 1/15/14 and 2/19/14). (14-0098)

**Chuck Porter, Los Angeles County Sheriff's Department (LASD), provided an overview of LASD's response to the recommendations presented on the report. In response to questions posed by Dorinne Jordan, Robert Smythe and Arlene Barrera, Auditor-Controller, indicated that it is likely that an internal audit will be conducted. Mr. Porter clarified the reasons for items being out of sequential order.**

**Conrad Meredith, LASD, provided an overview of the department's budget reporting process and answered related questions from the Committee.**

**On motion of Lori Glasgow, seconded by Avianna Uribe, this item was received and filed.**

**Attachments:**    [SUPPORTING DOCUMENT](#)

11. Department of Public Social Services - Review of Trust Funds, Revolving Funds, Commitments, and Accounts Payable (1/3/14) (Continued from meetings of 1/15/14, 2/19/14 and 3/19/14). (14-0248)

**On motion of Lori Glasgow, seconded by Avianna Uribe, this item was continued to the next meeting.**

**Attachments:**    [SUPPORTING DOCUMENT](#)

12. Sheriff's Department - Special Funds, Trust Funds, and Accruals Review (1/16/14) (Continued from meetings of 2/19/14 and 3/19/14). (14-0647)

**On motion of Lori Glasgow, seconded by Avianna Uribe, this item was continued to the next meeting.**

**Attachments:**    [SUPPORTING DOCUMENT](#)

13. Drew Child Development Corporation - A Department of Public Social Services CalWORKS Stage One Child Care Services Program Provider - Contract Compliance Review (1/21/14) (Continued from meeting of 2/19/14). (14-0649)

**On motion of Lori Glasgow, seconded by Avianna Uribe, this item was received and filed.**

**Attachments:**    [SUPPORTING DOCUMENT](#)

14. Hillview Mental Health Center, Inc. - A Department of Mental Health Service Provider - Contract Compliance Review (1/21/14) (Continued from the meeting of 2/19/14). (14-0650)

**Elaine Boyd, Auditor-Controller, reported that the agency is in agreement with the findings and has agreed to repay certain rental costs; however, the Auditor-Controller's Department does not agree with several of the agency's financial entries classified under billing transactions and will continue to work with the agency for a solution.**

**On motion of Lori Glasgow, seconded by Avianna Uribe, this item was received and filed.**

**Attachments:**    [SUPPORTING DOCUMENT](#)

15. AB109 Fiscal Audit Schedule (2/3/14) (Continued from meeting of 2/19/14). (14-0655)

**Robert Smythe, Auditor-Controller, reported that there is no audit or financial review requirement by the State of California for Assembly Bill 109 revenue.**

**On motion of Lori Glasgow, seconded by Avianna Uribe, this item was received and filed.**

**Attachments:**    [SUPPORTING DOCUMENT](#)

16. Jenesse Center, Inc. - A Department of Public Social Services Domestic Violence Supportive Services Program Provider - Contract Compliance Review (2/7/14) (Continued from meetings of 2/19/14 and 3/19/14). (14-0756)

**On motion of Lori Glasgow, seconded by Avianna Uribe, this item was continued to the next meeting.**

**Attachments:**    [SUPPORTING DOCUMENT](#)

17. Pathways LA - A Department of Public Social Services CalWORKs Stage One Child Care Services Program Provider - Contract Compliance Review (2/7/14) (Continued from meetings 2/19/14 and 3/19/14). (14-0757)

**On motion of Lori Glasgow, seconded by Avianna Uribe, this item was continued to the next meeting.**

**Attachments:**    [SUPPORTING DOCUMENT](#)

18. Department of Public Social Services - Contracts Review (2/11/14) (Continued from meetings of 2/19/14 and 3/19/14). (14-0774)

**On motion of Lori Glasgow, seconded by Avianna Uribe, this item was continued to the next meeting.**

Attachments: [SUPPORTING DOCUMENT](#)

#### **IV. REPORTS**

19. Probation Department - Cash Handling, Trust Funds, Accounts Payable, and Commitments Review (2/19/14) (Continued from the meeting of 3/19/14). (14-1017)

**On motion of Lori Glasgow, seconded by Avianna Uribe, this item was continued to the next meeting.**

Attachments: [SUPPORTING DOCUMENT](#)

20. District Attorney's Asset Forfeiture Fund (2/19/14). (14-1019)

**On motion of Lori Glasgow, seconded by Avianna Uribe, this item was received and filed.**

Attachments: [SUPPORTING DOCUMENT](#)

21. Fiscal Year 2013-14 Second Quarter Report on Audit-Related Funding Transferred from General Fund Departments (2/19/14) (Continued from the meeting of 3/19/14). (14-1020)

**On motion of Lori Glasgow, seconded by Avianna Uribe, this item was continued to the next meeting.**

Attachments: [SUPPORTING DOCUMENT](#)

22. Audit of the Los Angeles County Flood Control District for the Year Ended June 30, 2013 (2/20/14). (14-1021)

**On motion of Lori Glasgow, seconded by Avianna Uribe, this item was received and filed.**

Attachments: [SUPPORTING DOCUMENT](#)

23. Sheriff's Department - Provisional Financing Uses Funding Claim Review (October and November 2013) (2/26/14). (14-1026)

**Robert Smythe, Auditor-Controller, provided an overview of the Provisional Financing Uses budget allocation and reported that the report will be submitted on a quarterly basis.**



**On motion of Kieu-Anh King, and by Common Consent, there being no objection, this item was received and filed.**

**Attachments:**    [SUPPORTING DOCUMENT](#)

- 24.**    Treasurer's January 24, 2014 Cash Count (3/3/14). (14-1061)

**On motion of Lori Glasgow, seconded by Avianna Uribe, this item was received and filed.**

**Attachments:**    [SUPPORTING DOCUMENT](#)

- 25.**    Antelope Valley Committee on Aging - A Community and Senior Services' Area Agency on Aging Program Contract Service Provider - Contract Compliance Review - Fiscal Years 2012-13 and 2013-14 (3/4/14). (14-1106)

**Don Chadwick, Auditor-Controller (A-C), reported that his office completed County contract requirement training for most of the Department of Children and Family Services' contractors, including group home, foster family agency, wraparound and family preservation contractors. Training is also provided to Department of Mental Health (DMH) contractors and Community and Senior Services oversight groups.**

**Elaine Boyd, A-C, reported that monitoring of the Area Agency on Aging contracts is usually executed by an independent contractor, but this review was done by her office following a request by Community and Senior Services (CSS). Mr. Chadwick reported that with the exception of DMH contracts, all trainings are done by requests from the departments. Ms. Boyd reported that CSS is scheduled to appear before the Board of Supervisors on April 8, 2014 to terminate the contract.**

**On motion of Kieu-Anh King, and by Common Consent, there being no objection, this item was received and filed.**

**Attachments:**    [SUPPORTING DOCUMENT](#)

- 26.**    HIPAA and HITECH Act Compliance Review - Harbor-UCLA Medical Center (3/4/14). (14-1087)

**On motion of Lori Glasgow, seconded by Avianna Uribe, this item was received and filed.**

**Attachments:**    [SUPPORTING DOCUMENT](#)

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27. HIPAA and HITECH Act Compliance Review - Roybal Family Mental Health Center (3/5/14) (Continued from the meeting of 3/19/14). (14-1104)

**On motion of Lori Glasgow, seconded by Avianna Uribe, this item was continued to the next meeting.**

Attachments: [SUPPORTING DOCUMENT](#)

28. Los Angeles Urban League - A Community and Senior Services' Workforce Investment Act Program Contract Service Provider - Contract Compliance Review - Fiscal Year 2013-14 (3/5/14) (Continued from the meeting of 3/19/14). (14-1108)

**On motion of Lori Glasgow, seconded by Avianna Uribe, this item was continued to the next meeting.**

Attachments: [SUPPORTING DOCUMENT](#)

29. Southeast Area Social Services Funding Authority - A Department of Public Social Services Community Services Block Grant Program Provider - Contract Compliance Review (3/11/14). (14-1298)

**On motion of Lori Glasgow, seconded by Avianna Uribe, this item was received and filed.**

Attachments: [SUPPORTING DOCUMENT](#)

30. House of Ruth, Inc. - A Department of Public Social Services Domestic Violence Supportive Services Program Provider - Contract Compliance Review (3/12/14) (Continued from the meeting of 3/19/14). (14-1299)

**On motion of Lori Glasgow, seconded by Avianna Uribe, this item was continued to the next meeting.**

Attachments: [SUPPORTING DOCUMENT](#)

31. Fiscal Year 2013-2014 Cash Flow Projection (3/13/14). (14-1309)

**On motion of Lori Glasgow, seconded by Avianna Uribe, this item was received and filed.**

Attachments: [SUPPORTING DOCUMENT](#)

**V. DISCUSSIONS****32. CARD - Status Report. (14-1241)**

**Jason Stempinski, Auditor-Controller, provided an overview of the Contractor Alert Reporting Database (CARD) Schedule and answered questions posed by the Audit Committee. Auditor-Controller staff was asked to include the Antelope Valley Committee on Aging and the Los Angeles Urban League on the list of agencies recommended for CARD placement.**

**33. Discussion on Sheriff's Department Summary of Audits - Major Audit Findings (Continued from meeting 2/19/14) (Continued from the meeting of 3/19/14). (14-0799)**

**On motion of Lori Glasgow, seconded by Avianna Uribe, this item was continued to the next meeting.**

**34. DPSS Monitoring Update. (14-1238)**

**Kenyatta Ortega and Janet Betton, Department of Public Social Services (DPSS), provided an overview of audit reports and answered questions posed by the Audit Committee. Ms. Ortega explained that the Pathways agency has implemented five out of the nine recommendations and has repaid DPSS \$5,443; a follow up visit will be conducted soon.**

**In response to questions posed by Lori Glasgow, Princess Nelson, A-C, indicated that the Jenesse Center is in agreement with the findings; however, the high percentage displayed for unresolved issues is due to the time lapse between the implementation process and the time the report is generated.**

**35. Pending Audits/Monitoring Reports. (14-1064)**

**Robert Smythe, Auditor-Controller (A-C), reported of an up-coming sunset review of the Commission on Alcohol and Other Drugs. At the request of Lori Glasgow, Mr. Smythe will determine if the Commission is necessary in order to distribute Federal funds.**

**Don Chadwick, A-C, reported that the review for AIDS Healthcare Foundation was completed and a draft report was submitted to the contractor. An exit conference will be scheduled to discuss findings and recommendations.**

**VI. BOARD POLICIES**

36. Recommendation to extend the sunset review date to June 30, 2014 for the following Board Policies:

- 6.100 - Information Technology and Security Policy
- 6.101 - Use of County Information Technology Resources
- 6.102 - Countywide Antivirus Security Policy
- 6.103 - Countywide Computer Security Threat Responses
- 6.104 - Use of Electronic Mail (e-mail) by County Employees
- 6.105 - Internet Usage Policy
- 6.106 - Physical Security
- 6.107 - Information Technology Risk Assessment
- 6.108 - Auditing and Compliance (14-0668)

**On motion of Lori Glasgow, seconded by Avianna Uribe, the policies were approved as amended by the Audit Committee to extend the sunset review date to December 31, 2014.**

**Attachments:**    [SUPPORTING DOCUMENT](#)

**VII. MISCELLANEOUS**

37. Matters not on the posted agenda (to be Presented and Placed on the Agenda of a Future Meeting). (14-1065)

**There were no matters presented.**

38. Public Comment. (14-1066)

**No members of the public addressed the Committee.**

39. Adjournment. (14-1067)

**There being no further business to discuss, the meeting adjourned at 4:00 p.m.**